

Special Stipend to make up for Lack of Cost-of-Living-Adjustment for Next Year

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Washington, DC – Congressman Sam Farr (D-Carmel), a cosponsor of the legislation, today hailed the announcement from House Democrats to move ahead with legislation to provide Social Security recipients with a one-time \$250 payment. The Social Security Administration announced on Friday that there will be no automatic Cost-of-Living-Adjustment for 2011. That means that 2011 will be the second consecutive year that Social Security retirees, veterans, and people with disabilities will see no increase in their monthly Social Security, SSI, VA Pension and Compensation, and Railroad Retirement benefits.

“The lingering effects of the worst economy since the Great Depression mean Americans who need Social Security to survive can’t afford to make ends meet,” said Rep. Sam Farr. “For that reason, I will join my colleagues in taking quick action to enact a one-time \$250 payment to seniors, veterans, and people with disabilities who receive Social Security—to help them through this tough time, when housing values are down, other retirement income is volatile, and many are facing rising expenses.”

When passed, H.R. 5987—the Seniors Protection Act—will benefit an estimated 77,000 Social Security Recipients on the Central Coast, and will inject millions of dollars into the local economy and provide critical assistance to individuals on a fixed income.

“We need to make sure we do not leave seniors behind as we begin this economic recovery, and the Seniors Protection Act plays a critical role in ensuring that seniors also see the light at the end of the tunnel. I want to thank the House leadership for their commitment to advancing this legislation, which will assist 54 million recipients struggling to stay afloat.”

The COLA is automatically calculated using data on inflation published by the Bureau of Labor Statistics (BLS). In 2009, Social Security recipients saw a 5.8% increase in their benefits, the largest since 1982, as a result of rising costs; but in 2010, they saw no COLA at all.

Social Security benefit levels are modest – only \$14,000 a year for the average retiree. The median income for senior households is just \$24,000, reflecting just how much Social Security means to most elderly Americans. Six in ten seniors rely on Social Security for more than half of their income, and about a third of retirees have little other than Social Security on which to live.

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